

AMENDED IN ASSEMBLY MAY 14, 2003  
AMENDED IN ASSEMBLY MARCH 25, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 988**

**Introduced by Assembly Member Maze  
(Coauthors: Assembly Members Cogdill, Haynes, and  
Nakanishi)**

February 20, 2003

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An act to add and repeal ~~Sections 17053.19 and 23619~~ *Section 10753.19* of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 988, as amended, Maze. Personal income ~~and corporation~~ taxes: credits: ~~doctors~~ *qualified medical care professionals*.

The Personal Income Tax Law ~~and the Corporation Tax Law~~ *authorize* *authorizes* various credits against the taxes imposed by ~~those laws~~ *that law*.

This bill would authorize a credit against ~~those taxes~~ *the personal income taxes* for each taxable year beginning on or after January 1, 2003, and before January 1, 2008, in an amount equal to ~~20% of total income of a qualified doctor, as defined, who practices in a qualified county, as defined, derived from treating Medi-Cal beneficiaries either~~ *20% of the amount received by a qualified medical care professional, as defined, for treating Medi-Cal beneficiaries in a qualified county, as defined, or 10% of the salary received by a qualified medical care professional as an employee in a qualified health center, as defined.*

*This bill would also require the Franchise Tax Board to report annually to the Legislature on the use of the credit.*

*This bill would take effect immediately as a tax levy.*

*Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.*

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17053.19 is added to the Revenue and  
2 Taxation Code, to read:  
3 17053.19. (a) For each taxable year beginning on or after  
4 January 1, 2003, and before January 1, 2008, there shall be allowed  
5 as a credit against the “net tax,” as defined in Section 17039, an  
6 amount equal to ~~20 percent of total income derived from treating~~  
7 ~~Medi-Cal~~ *either the amount determined under paragraph (1) or*  
8 *the amount determined under paragraph (2), as elected under*  
9 *paragraph (3).*  
10 (1) *The amount of the credit under this paragraph is 20 percent*  
11 *of the amount received by a qualified medical care professional for*  
12 *treating Medi-Cal beneficiaries in a qualified county.*  
13 (2) *The amount of the credit under this paragraph is 10 percent*  
14 *of the salary received by a qualified medical care professional as*  
15 *an employee in a qualified health center.*  
16 (3) *Any taxpayer who is eligible for the credit under this section*  
17 *shall make an irrevocable election for each taxable year for which*  
18 *the credit is claimed with respect to the application of either*  
19 *paragraph (1) or paragraph (2) to determine the amount of the*  
20 *credit for that taxable year.*  
21 (b) *For purposes of this section:*  
22 (1) *“Medi-Cal” means the California Medical Assistance*  
23 *Program created under the Medi-Cal Act set forth in Chapter 7*  
24 *(commencing with Section 14000) of Part 3 of Division 9 of the*  
25 *Welfare and Institutions Code.*  
26 (2) *“Qualified county” means a county, within California, that*  
27 *during the taxable year satisfies both of the following conditions:*  
28 (A) *At least 25 percent of the population is Medi-Cal*  
29 *beneficiaries.*  
30 (B) *The unemployment rate is at least 10 percent.*  
31 (3) *“Qualified medical care professional” means a physician,*  
32 *surgeon, optometrist, or dentist who is licensed to practice*

1 *medicine, surgery, optometry, or dentistry in the state and who*  
2 *either treats Medi-Cal beneficiaries on a fee-for-service basis or*  
3 *is a salaried employee at a qualified health center in the state.*

4 *For the purposes of this paragraph:*

5 (A) *“Physician or surgeon” means an individual who is*  
6 *authorized to practice medicine or surgery pursuant to the*  
7 *provisions of Chapter 5 (commencing with Section 2000) of*  
8 *Division 2 of the Business and Professions Code, and who is*  
9 *licensed by the Medical Board of California or the Osteopathic*  
10 *Medical Board.*

11 (B) *“Optometrist” means an individual who is licensed to*  
12 *practice optometry pursuant to the provisions of Chapter 7*  
13 *(commencing with Section 3000) of Division 2 of the Business and*  
14 *Professions Code.*

15 (C) *“Dentist” means an individual who is authorized to*  
16 *practice dentistry pursuant to the provisions of Chapter 4*  
17 *(commencing with Section 1600) of Division 2 of the Business and*  
18 *Professions Code.*

19 (4) *“Qualified health center” means a federally qualified*  
20 *health center or a rural health clinic, as defined in Section 1395x*  
21 *of Title 42 of the United States Code, that is operated in a qualified*  
22 *county.*

23 (c) *In the case where the credit allowed by this section exceeds*  
24 *the ‘net tax,’ the excess may be carried over to reduce the “net tax”*  
25 *in the following seven years.*

26 (d) *This section shall remain in effect only until January 1,*  
27 *2009, and as of that date is repealed.*

28 (e) *The Franchise Tax Board shall report annually to the*  
29 *Legislature on the use of the credit.*

30 SEC. 2. *This act provides for a tax levy within the meaning of*  
31 *Article IV of the Constitution and shall go into immediate effect.*  
32 ~~*beneficiaries during the taxable year by a qualified doctor who*~~  
33 ~~*practices in a qualified county.*~~

34 ~~*(b) For purposes of this section:*~~

35 ~~*(1) “Medi-Cal” means the California Medical Assistance*~~  
36 ~~*Program created under the Medi-Cal Act set forth in Chapter 7*~~  
37 ~~*(commencing with Section 14000) of Part 3 of Division 9 of the*~~  
38 ~~*Welfare and Institutions Code.*~~

~~(2) “Qualified county” means a county, within California, in which at least 25 percent of the population are Medi-Cal beneficiaries and unemployment is at least 10 percent.~~

~~(3) “Qualified doctor” means a physician, surgeon, optometrist, or dentist, who is not salaried and who works on a fee-for-service basis.~~

~~(c) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and succeeding years if necessary, until the credit is exhausted.~~

~~(d) This section shall remain in effect only until January 1, 2009, and as of that date is repealed.~~

~~SEC. 2. Section 23619 is added to the Revenue and Taxation Code, to read:~~

~~23619. (a) For each taxable year beginning on or after January 1, 2003, and before January 1, 2008, there shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to 20 percent of total income derived from treating Medi-Cal beneficiaries during the taxable year by a qualified doctor who practices in a qualified county.~~

~~(b) For purposes of this section:~~

~~(1) “Medi-Cal” means the California Medical Assistance Program created under the Medi-Cal Act set forth in Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.~~

~~(2) “Qualified county” means a county, within California, in which at least 25 percent of the population are Medi-Cal beneficiaries and unemployment is at least 10 percent.~~

~~(3) “Qualified doctor” means a physician, surgeon, optometrist, or dentist, who is not salaried and who works on a fee-for-service basis.~~

~~(c) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and succeeding years if necessary, until the credit is exhausted.~~

~~(d) This section shall remain in effect only until January 1, 2009, and as of that date is repealed.~~

1     ~~SEC. 3.—This act provides for a tax levy within the meaning of~~  
2     ~~Article IV of the Constitution and shall go into immediate effect.~~  
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